

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

CINEMAS - M/s Prasad Imax and Multiplex Complex, Necklace Road, Hyderabad – Enhancement of admission rates to Imax Theatre 3D Movies – Orders – Issued.

HOME (GENERAL.A) DEPARTMENT

G.O.Ms.No. 247

Dated: 20 -09-2010.

Read the following:

Representation of Chairman, Prasad Media Corporation,
Necklace Road, Hyderabad, dated 4-08-2010.

ORDER:

The Chairman, Prasad Media Corporation Limited, Hyderabad, has submitted a representation read above, for enhancement of rates of admission in the Imax Theatre for the 3D Movies in the Imax Multiplex Complex. He has further stated that IMAX is a large format cinema presentation which has a superior and unique visual experience and is recognized as such World over. IMAX is the registered trademark of IMAX Corporation Limited, Canada, the largest format film making and exhibiting company in the world having invented the IMAX technology of film projection and film making. He has also stated that at present, the Indian Multiplex chain consist of regular 35 mm screens and is not a large format Cinema. IMAX is a capital intensive technological marvel and in the entire south India Prasad's IMAX is the only IMAX theatre even today and there are only 3 commercially operated IMAX theatres in India. IMAX films are specially made with 15 perforations per frame as against 4 perforations for 35mm films and 5 perforations for the 70mm films. The IMAX projection system employs the 'rolling loop' technology owing to which the image on the screen is flawless and free from image and colour distortions. The screen of our IMAX theatre is gigantic with 72 feet in height and 97 feet in width compared to an average regular cinema screen of 23 feet height and 55 feet width. Prasad's IMAX theatre is declared as one of the top 5 best IMAX theatres in the World.

2. He has represented that in line with the increase in the admission rates of multiplex screens that their request for increase in admission rates for IMAX theatre also merits consideration on the same grounds and also due to the huge capital cost spent on the IMAX projection system. viz., . He has stated that the cost of IMAX equipment is Rs.23 crore compared to the equipment of a screen in a multiplex which is hardly around Rs.60 lakh;

(PTO)

He has also stated that :

- a. IMAX pay an annual maintenance contract charges to IMAX Corporation, Canada amounting to around US \$ 75,000, which amounts to around Rs.36 lakhs a year, compared to the AMC for a screen in multiplex which is only Rs.15,000/- per annum;
- b. In case of IMAX, as the theatres world over are very less, they need to invest on the print cost also (on an average around \$ 35,000 per print) which is not required in case of multiplex movies, for which the cost of the print is borne by the distributors;
- c. As IMAX is a patented technology they are bound by an agreement to pay the IMAX Corporation a Royalty @ 4.5% of the net theatre collections if the Gross box office receipts are less than US \$1,3000,000 and @ 9% if the gross box office receipts are equal to or more than US \$ 1,300,000. This kind of Royalty payment is not there for a regular multiplex theatre; and
- d. In IMAX theatre, they use two prints for getting the right 3D effect, investing on 2 prints for the same movie. For example they have paid US \$ 75000 for 'AVATAR' IMAX 3D print compared to no print cost for 3D in other multiplexes;

3. Keeping in view of the above he has requested to consider the increase in admission rates which are indicated below:

Sl.No.	Type of theatre	Description	Existing admission rate per seat Rs.	Requested Rate of admission per seat Rs.
1	IMAX theatre	2D movies up to 1 hour duration	150/-	200/-
2		2D movies more than 1 hour duration	200/-	250/-
3		3D movies	200/-	250/-

4. An opportunity of hearing was given to the Management of M/s Prasad Media Corporation, Hyderabad, on 07-09-2010 before the Appellate Authority. The Appellate Authority has heard the case represented by the Management.

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5. Government after careful examination of the above request in exercise of the powers conferred in rule (c) of sub-rule 3(a) of Rule 11 (B) of Andhra Pradesh Cinemas (Regulation) Rules, 1970 hereby allow for enhancement of rates of admission to Imax Theatre in the M/s Imax Multiplex Complex, Hyderabad as indicated below:

Sl.No.	Type of theatre	Description	Existing admission rate per seat Rs.	Requested Rate of admission per seat Rs.
1	IMAX theatre	2D movies up to 1 hour duration	150/-	200/-
2		2D movies more than 1 hour duration	200/-	250/-
3		3D movies	200/-	250/-

6. The Commissioner of Police & Licensing Authority, Hyderabad City is requested to incorporate the above enhanced rates and classes of admission in the Form-B Licence of M/s Imax Multiplex Complex, Necklace Road, Hyderabad.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

BHANWARLAL
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Commissioner of Police & Licensing Authority, Hyderabad City.
Copy to the Management M/s Prasad Media Corporation
(Imax Multiplex Complex) Necklace Road, Hyderabad.
Copy to the P.S. to Principal Secretary to Government ,
Home Department.
Copy to the P.S. to M(Cinematography).
SF/SCs.

//FORWARDED:BY ORDER//

SECTION OFFICER.